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SUBJECT: MEDIA REACTION: CROSS-STRAIT RELATIONS

¶1. Summary: Taiwan's major Chinese-language dailies focused their coverage August 30 on former DPP Chairman Shih Ming-teh's campaign to oust President Chen Shui-bian, President Chen's planned overseas trip in early September, the 2006 National Defense Report released by the Ministry of National Defense on Tuesday, and U.S.-Taiwan arms procurements. The pro-unification "United Daily News" ran a front-page banner headline that said "United States Refuses to Allow Air Force One to Land in Guam." The pro-independence "Liberty Times," Taiwan's biggest daily, however, ran a news story on page four with the headline "United States Agrees to Let Bian Transit Guam."

Regarding U.S. arms sales to Taiwan, several papers covered a "Defense News" article, which said that the U.S. National Security Council and the Department of State have both suggested turning down Taiwan's request to purchase 66 F-16 C/D fighter planes. These papers also reported on inside pages that during a meeting between Defense Minister Lee Jye and Legislative Yuan President Wang Jin-pyng Tuesday, Lee showed Wang a cable from TECRO in Washington, which mentioned that the United States has been very displeased with the Legislative Yuan for stalling the U.S. arms procurement bill.

¶2. In terms of editorials and commentaries, a "China Times" editorial said whether Chen Yunlin, the director of China's Taiwan Affairs Office, is able to visit Taiwan in October will serve as a touchstone to test whether Premier Su Tseng-chang really meant what he said about cross-Straight opening. An editorial in the limited-circulation, pro-independence, English-language "Taipei Times," on the other hand, criticized Beijing's carrot-and-stick approach toward Taiwan. The article said "The lack of coordination between the agencies responsible for carrying out Taiwan policy has resulted in a situation where each acts as it sees fit, sometimes even working directly against each other." End summary.

A) "Chen Yunlin's Trip to Taiwan Is Touchstone for Cross-Straight Opening"

The pro-status quo "China Times" [circulation: 400,000] editorialized (8/30):

"A glimpse of hope is finally seen in China's Taiwan Affairs Office Director Chen Yunlin's visit to Taiwan to co-host the 'Cross-Straight Agricultural Forum.' The spokesman for China's Association for Relations Across the Taiwan Strait (ARATS) recently announced: 'ARATS is willing to coordinate with the KMT's National Policy Foundation to negotiate with an agency specified by Taiwan using an appropriate name over issues concerning the immigration, security, and convenience of the mainland [Chinese] personnel [coming to Taiwan].' Judged from a certain perspective, this statement is a clear message of a 'goodwill gesture' shown [by Beijing]. After

both sides of the Taiwan Strait have ceased negotiating for so many years, this time is clearly the most evident change in attitude on the part of the mainland authorities. ...

"What the ruling party should contemplate now is whether it wants both sides across the Taiwan Strait to resume talks. If Premier Su Tseng-chang means what he said with regard to the cross-Straight

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opening policy, Chen's visit to Taiwan will clearly be a touchstone. The best way to make Chen's trip possible is to bypass the familiar Straits Exchange Foundation (SEF), and have the Ministry of Economic Affairs and the Council of Agriculture go ahead to discuss the contents and schedule of the forum based on 'how agriculture on both sides can mutually benefit and complement each other.' But if the cross-Straight opening spoken of by Su is simply a smokescreen, all he needs to do is to ask the SEF to get ready, and act as if 'government officials will come forward to talk,' then he can direct this matter to a highly sensitive area, where it will even attract the attention of the pro-independence factions of the DPP and the Taiwan Solidarity Union (TSU). With a severe lambasting [from the DPP and TSU], the whole issue will surely blow up. ... In other words, whether Chen will be able to come to Taiwan is a touchstone to test Premier Su's cross-Straight opening policy. We hope it will become a starting point where both sides of the Taiwan Strait can resume talks, and not another postponement again. Given the many political upheavals going on in Taiwan, there is not much left that can make the people feel that the island is changing, and this might as well be an opportunity for Su to break the deadlock."

B) "The Stick Is Mightier Than the Carrot"

The pro-independence, English-language "Taipei Times" [circulation: 30,000] editorialized (8/30):

"Chinese President Hu Jintao has used a more pragmatic carrot-and-stick approach in that country's Taiwan policy by tightening its already tough approach on certain issues while softening its stance on others. ... China is mixing up both approaches so that threats, coercion, promises of benefits and enticements will eventually compel Taiwan to accept the 'one China' principle. A lack of overall coordination, however, means that frequent and sudden policy changes undermine this goal. There are reports that China - hot on the heels of securing diplomatic recognition from Chad on the eve of Premier Su Tseng-chang's visit to that African nation - may try to establish relations with Palau prior to President Chen Shui-bian's visit to the Pacific island nation in a few weeks. Superficially, this would embarrass Chen and provide support to those campaigning to unseat him. For China's foreign ministry, this may seem a sensible strategy. The result, however, could be the opposite of what it might expect. ...

"... And if China really does win over Palau on the eve of Chen's visit, it will be playing into Chen's hands. It would allow him to redirect the focus of the media from the domestic situation to foreign affairs, while China's suppression might serve to consolidate pan-green-camp support. The China factor may also dampen support for the anti-Chen campaign and strengthen anti-China sentiment, a situation that Chen would welcome after so many months of political and personal difficulties. ... Chinese foreign affairs officials may think spending huge amounts of money to buy over Taiwan's allies may be a good policy, but cutthroat diplomatic competition is certain to erase the TAO's achievements. The lack of coordination between the agencies responsible for carrying out Taiwan policy has resulted in a situation where each acts as it sees fit, sometimes even working directly against each other. If this continues for much longer, Chen will find a way out of his predicament thanks to his enemies - something he has grown used to over the decades."

YOUNG